



# Submission to the Australian Commission on Safety and Quality in Health Care

**From:** Australian Institute of Health AIHE (AIHE) | [aihexec.com](http://aihexec.com)

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**Subject:** Consultation on the Development of the *Third Edition of the National Safety and Quality Health Service (NSQHS) Standards*

## Introduction

The Australian Institute of Health AIHE (AIHE) is pleased to contribute to the consultation on the development of the third edition of the National Safety and Quality Health Service (NSQHS) Standards.

As the newly established body for healthcare executives and health leaders across Australia, AIHE supports leaders who hold accountability for delivering safe, high-quality, and sustainable services within an increasingly complex environment.

Our members and networks are responsible for operationalising the Standards in practice, across public and private healthcare sectors, and for guiding organisations through significant transformation in response to policy reforms, workforce challenges, digital disruption, and rising consumer expectations.

We therefore approach this submission not only from the perspective of compliance, but from a thought leadership lens of how the third edition of the NSQHS Standards can evolve into a strategic enabler of industry transformation, cultural change, and sustainable system improvement.

## 1. Existing and Emerging Safety and Quality Risks

AIHE are acutely aware that the risk environment for patient safety and quality is shifting. While long-standing issues such as medication safety, infection control, and clinical governance remain, new challenges are emerging:

**Digital Transformation and Artificial Intelligence:** Health leaders must manage the safe introduction of digital health tools, including AI and advanced analytics. Risks include

algorithmic bias, inappropriate reliance on automation, cybersecurity threats, and lack of workforce readiness. Standards need to support governance frameworks that enable safe, ethical, and transparent adoption.

**Workforce Sustainability:** Workforce shortages, burnout, and changing skill requirements directly impact safety and quality. AIHE recognises that workforce wellbeing and capability are now critical determinants of safe care.

**Equity and Inclusion:** Healthcare leaders are accountable for addressing inequities in access and outcomes, particularly for Aboriginal and Torres Strait Islander peoples, culturally diverse groups, and rural and remote communities.

**System Fragmentation:** The growing need to coordinate care across hospitals, primary care, aged care, disability, and community services poses risks at every transition. AIHE emphasises that accountability and data must follow the patient.

**Climate Change and Resilience:** Climate-related events and environmental sustainability are no longer peripheral but core to health service continuity and safety.

**Consumer Expectations:** Today's consumers expect partnership, transparency, and personalised care. Failure to meet these expectations poses reputational and safety risks across the sector.

## 2. Driving High Performance

The NSQHS Standards must evolve from a baseline compliance tool into a framework that drives high performance and continuous excellence across the system.

AIHE advocates for a tiered standards model comprising Core Standards (minimum expectations) and Excellence Standards (aspirational benchmarks). This model would inspire continuous improvement, encourage innovation, and differentiate high-performing services.

Excellence Standards should cover leadership, workforce culture, equity, sustainability, and integration, enabling services to demonstrate innovation and global competitiveness.

AIHE believes this requires:

**Shifting focus to outcomes:** Beyond process adherence, the Standards should measure and reward improvement in outcomes that matter to patients, communities, and staff.

**Benchmarking and transparency:** Comparative public performance reporting enables leaders to learn from exemplars and fosters a culture of aspiration.

**Systems leadership:** Standards must reinforce the role of a higher level of leadership, culture, and governance in achieving high performance, moving away from siloed or transactional views of safety.

**Alignment with value-based care:** High performance means safe, effective, and sustainable care that delivers value for patients and the system.

### **3. Supporting Integration of Services**

Health leaders are accountable for navigating the most significant integration challenge of our time: patients who move across multiple providers and sectors. Fragmentation is a known safety risk, but it is also an organisational and cultural challenge.

The Standards can support healthcare leaders by:

- Promoting shared accountability between services, recognising that responsibility for safety extends beyond organisational boundaries.
- Emphasising information sharing and digital interoperability as core enablers of continuity.
- Embedding expectations for safe and structured transitions of care, including discharge planning and communication with community-based providers.
- Aligning with reforms in aged care, disability, and primary care, to create consistency across regulatory frameworks and reduce burden.

### **4. Continuous Learning and Minimising Compliance Mindsets**

Health leaders consistently observe that compliance-driven approaches can limit innovation and discourage frontline ownership of improvement. AIHE want the NSQHS Standards to encourage cultures of learning and adaptation, where safety is understood as dynamic and evolving.

This can be achieved by:

- Introducing a Learning Health System Standard, requiring services to use real-time data, rapid-cycle improvement, and evidence translation. This will embed adaptive learning cultures and minimise a compliance mindset.
- Recognising organisations that develop learning health system models and reward proactive innovation.
- Ensuring accreditation processes enable constructive dialogue rather than punitive assessments.
- Elevating leadership and culture as central enablers of learning, with explicit recognition of workforce wellbeing and staff engagement.

## 5. Improving Format and Structure

AIHE emphasise that standards must be clear, accessible, and implementable across diverse service settings. The third edition offers an opportunity to refine the format for greater impact.

Recommendations include:

1. Streamlined and simplified structure, reducing duplication and avoiding overly prescriptive requirements.
2. Plain language and clarity, supported by contemporary examples of best practice.
3. Digital-first design, with interactive guidance, case studies, and benchmarking tools.
4. Scalable tools to support smaller and rural services, which face resource constraints in implementation.
5. A tiered structure with Core and Excellence Standards would simplify compliance while inspiring innovation.

## 6. Duplication and Redundancies

AIHE recommends reducing overlap in governance, workforce, medication safety, and consumer partnering domains.

Consolidating these requirements will reduce administrative burden and allow services to focus on high-value improvement activities.

Areas where duplication can be reduced:

- Governance and workforce requirements appear across multiple standards and could be consolidated.
- Medication safety and clinical communication share overlapping requirements and could be streamlined.
- Partnering with consumers should be repositioned as a principle that runs through all standards, rather than a siloed domain.

## 7. Additional Comments

AIHE proposes several broader considerations for the third edition:

- Alignment across regulatory frameworks (health, aged care, disability, mental health) will reduce duplication and facilitate integration.

- Inclusion of emerging domains such as digital safety, pay for performance, and health equity will ensure the Standards remain future-focused.
- Tiered models of standards could encourage innovation, with core requirements complemented by aspirational excellence criteria.
- Ongoing engagement with health leaders, clinicians, and consumers will ensure the Standards remain practical and relevant.
- Consumer partnership embedded at every level, including governance and co-design.
- Transparency and benchmarking with global comparators to drive excellence.
- A mechanism for adaptive updating, ensuring the Standards remain responsive to future risks and innovations.

By embedding these transformative elements, the third edition can position Australia as a global leader in healthcare safety, quality, and innovation.

## **Conclusion**

The NSQHS Standards have been instrumental in embedding a culture of safety and quality across Australian health services. The third edition represents a pivotal moment: an opportunity to evolve the Standards into a framework that not only safeguards the basics but also enables transformation, supports integration, and inspires leadership for high performance.

AIHE emphasises the importance of designing standards that are not only achievable but also aspirational, driving the next phase of safety and quality improvement in Australia. We commend the Commission for its consultative approach and stand ready to collaborate in shaping a standards framework that reflects the challenges and opportunities of modern healthcare leadership.

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